

5. Claims

We claim:

1 1. A method for creating a portfolio using a computer comprising the steps of:
2 determining winners and losers from a group of stocks;
3 applying a filter that passes low-volume winners and high-volume losers; and,
4 storing the remaining winners and losers as said portfolio.

1 2. The method for creating said portfolio according to claim 1, wherein said group of
2 stocks is selected from stocks traded on the NYSE.

1 3. The method for creating said portfolio according to claim 1, wherein said group of
2 stocks is selected from stocks in the S&P 500.

1 4. The method for creating said portfolio according to claim 1, wherein said group of
2 stocks is selected from stocks traded on the TOPIX in Japan.

1 5. The method for creating said portfolio according to claim 1, wherein said group of
2 stocks is selected from stocks associated with the MSCI Europe.

1 6. The method for creating said portfolio according to claim 1, wherein said group of
2 stocks is selected from stocks associated with the MSCI World basket.

1 7. A method of trading a portfolio in which said portfolio includes low-volume
2 winners and high-volume losers comprising the step of:
3 holding said low-volume winners long.

1 8. The method according to claim 7 further comprising the step of:
2 holding said low-volume winners for six months.

1 9. The method according to claim 7, further comprising the step of:
2 rebalancing said portfolio at the end of six months.

1 10. The method according to claim 7, further comprising the step of:

2 rebalancing said portfolio at the end of three months.

1 11. A method of trading a portfolio in which said portfolio includes low-volume

2 winners and high-volume losers comprising the step of:

3 holding said high-volume losers short.

1 12. The method according to claim 11 further comprising the step of:

2 holding said high-volume losers for three months.

1 13. A computer-readable medium storing a computer-implemented program for

2 creating a portfolio using a computer, said program comprising the steps of:

3 determining winners and losers from a group of stocks;

4 applying a filter that passes low-volume winners and high-volume losers; and,

5 storing the remaining winners and losers as said portfolio.

1 14. The computer-readable medium according to claim 13, wherein said group of

2 stocks is selected from stocks traded on the NYSE.

1 15. The computer-readable medium according to claim 13, wherein said group of

2 stocks is selected from stocks in the S&P 500.

1 16. The computer-readable medium according to claim 13, wherein said group of

2 stocks is selected from stocks traded on the TOPIX.

1 17. The computer-readable medium according to claim 13, wherein said group of

2 stocks is selected from stocks associated with the MSCI Europe.

1 18. The computer-readable medium according to claim 13, wherein said group of

2 stocks is selected from stocks associated with the MSCI World basket.

1 19. A computer-readable medium for storing a program having steps for trading a
2 portfolio in which said portfolio includes low-volume winners and high-volume losers, said
3 program comprising the step of:

4 holding said low-volume winners long.

1 20. The computer-readable medium according to claim 19, said program further
2 comprising the step of:

3 holding said low-volume winners for six months.

1 21. The computer-readable medium according to claim 19, said program further
2 comprising the step of:

3 rebalancing said portfolio at the end of six months.

1 22. The computer-readable medium according to claim 19, said program further
2 comprising the step of:

3 rebalancing said portfolio at the end of three months.

1 23. A computer-readable medium for storing a program having steps for trading a
2 portfolio in which said portfolio includes low-volume winners and high-volume losers
3 comprising the step of:

4 holding said high-volume losers short.

1 24. The computer-readable medium according to claim 23, said program further
2 comprising the step of:

3 holding said high-volume losers for three months.

1 25. The method according to claim 1, wherein the group of stocks is selected from
2 stocks traded on an exchange.

1 26. The method according to claim 7, wherein the portfolio is selected from stocks
2 traded on an exchange.

1 27. The method according to claim 11, wherein the portfolio is selected from stocks
2 traded on an exchange.

1 28. The computer-readable medium according to claim 13, wherein the group of
2 stocks is selected from stocks traded on an exchange.

1 29. The computer-readable medium according to claim 19, wherein the portfolio is
2 selected from stocks traded on an exchange.

1 30. The computer-readable medium according to claim 23, wherein the portfolio is
2 selected from stocks traded on an exchange.

1 31. A method for creating and trading a portfolio using a computer comprising the
2 steps of:

3 determining winners and losers from a group of stocks;
4 applying a filter that passes low-volume winners and high-volume losers;
5 storing the remaining winners and losers as said portfolio; and,
6 holding at least one of said high-volume losers short and said low-volume winners short.

1 32. A computer-readable medium storing a computer-implemented program for
2 creating and trading a portfolio using a computer, said program comprising the steps of:

3 determining winners and losers from a group of stocks;
4 applying a filter that passes low-volume winners and high-volume losers;
5 storing the remaining winners and losers as said portfolio; and,
6 holding at least one of said high-volume losers short and said low-volume winners short.

1 33. A computer system for creating and trading a portfolio comprising:

2 an input for receiving a group of stocks;

3 a processor; and

4 an output,

5 wherein said processor receives said group of stocks, determines winners and losers from
6 said group of stocks, applies a filter to said winners and losers, associates said portfolio with said
7 low-volume winners and high-volume losers, and outputs said portfolio to said output.

1 34. The computer system according to claim 33, wherein said processor outputs at
2 least one command to hold said low-volume winners long.

1 35. The computer system according to claim 33, wherein said processor outputs at
2 least one command to hold said high-volume losers short.

1 36. The computer system according to claim 33, wherein said group of stocks is
2 selected from stocks traded on an exchange.

1 37. The method of trading a portfolio in accordance with claim 7, wherein said
2 portfolio only includes low-volume winners and high-volume losers.

1 38. The method of trading a portfolio in accordance with claim 11, wherein said
2 portfolio only includes low-volume winners and high-volume losers.

1 39. The computer-readable medium according to claim 19, wherein said portfolio
2 only includes low-volume winners and high-volume losers.

1 40. The computer-readable medium according to claim 23, wherein said portfolio
2 only includes low-volume winners and high-volume losers.

1 41. The method for creating said portfolio according to claim 1, wherein said winners
2 and said losers are determined in accordance with a momentum life cycle.

1 42. The method according to claim 7, wherein winners and losers are determined in
2 accordance with a momentum life cycle and said low-volume winners and high-volume losers
3 are determined in accordance with a volume/turnover filter.

1 43. The method according to claim 11, wherein winners and losers are determined in
2 accordance with a momentum life cycle and said low-volume winners and high-volume losers
3 are determined in accordance with a volume/turnover filter.

1 44. The computer-readable medium according to claim 13, wherein said winners and
2 said losers are determined in accordance with a momentum life cycle.

1 45. The computer-readable medium according to claim 19, wherein winners and
2 losers are determined in accordance with a momentum life cycle and said low-volume winners
3 and high-volume losers are determined in accordance with a volume/turnover filter.

1 46. The computer-readable medium according to claim 23, wherein winners and
2 losers are determined in accordance with a momentum life cycle and said low-volume winners
3 and high-volume losers are determined in accordance with a volume/turnover filter.

1 47. The computer system according to claim 33, wherein said winners and said losers
2 are determined in accordance with a momentum life cycle and said low-volume winners and
3 high-volume losers are determined in accordance with a volume/turnover filter.